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ANNUAL REPORT

THE CROW'S NEST PASS
COAL COMPANY, Limited



FOR YEAR ENDED
DECEMBER 31st, 1932

BOARD OF DIRECTORS

W. R. Wilson

A. H. MacNeill, K.C.

L. C. Gilman

Charles Bocking

James T. Maher

Dr. G. W. Howland

Erasmus C. Lindley

Charles H. Locke

EXECUTIVE COMMITTEE

Charles Bocking, Chairman

W. R. Wilson

L. C. Gilman

James T. Maher

A. H. MacNeill, K.C.

OFFICERS

W. R. Wilson President

A. H. MacNeill, K.C. First Vice President

L. C. Gilman Second Vice President

H. P. Wilson General Manager

Geo. H. Hess, Jr. Comptroller

A. A. Klauer Treasurer

J. S. Irvine Secretary

Welch, Campbell & Lawless Auditors

TRANSFER AGENT

Toronto General Trusts Corporation, Toronto, Ont.

REGISTRAR

National Trust Company, Limited, Toronto, Ont.

THE SHAREHOLDERS OF

The Crow's Nest Pass Coal Company, Limited :

Herewith is submitted the Annual Report for the year ended December 31st, 1932.

There is included a balance sheet as at December 31st, 1932, also profit and loss account, together with a certificate from your Auditors, Messrs. Welch, Campbell and Lawless.

The Balance at the Debit of Profit and Loss Account as of December 31st, 1931, was \$27,378.31, which was reduced to \$24,546.21 by the receipt of a refund obtained in connection with Income Tax payment in 1930. The profits from all sources in 1932 were \$36,636.97, which left a balance at the credit of Profit and Loss at December 31st, 1932, of \$12,090.76.

The distributions for the year amounted to \$248,472.00, equivalent to \$4.00 per share of stock outstanding at the end of the year. According to the books of account, these distributions were paid from sources indicated below :

Earned profits (exhausting the entire balance of Profit and Loss Account to December 31st, 1932)	4.87%
Depreciation & Depletion Reserves (Capital Account)	95.13%

The coal mined during the year amounted to 347,430 tons as compared with 452,730 tons during 1931.

The coke produced amounted to 33,091 tons as compared with 73,247 tons during 1931. The Fernie Coke Ovens were shut down in September, 1932, and thereafter all coke was produced at the Michel Ovens.

Michel Colliery worked 159½ days during 1932, as against 167 days in 1931, and Coal Creek Colliery worked only 76½ days in 1932 as against 118 days in 1931.

Development work at Coal Creek and Michel Collieries in the operative mines, totalled 3,515 yards. Excessive yard work has been driven in "B" Mine at Michel to prepare operations for recessive long wall operations; and in No. 3 Mine at Michel, to overcome difficulties encountered by large displacement faults. In the No. 1 East Mine and No. 3 Mine at Coal Creek, only 630 yards of development work have been driven during the year.

The installation of a dry cleaning plant was started during the year and should be completed during the early part of 1933.

Capital Expenditures made during the year were as follows :

Crow's Nest Pass Coal Co. Limited	\$76,479.65
Morrissey, Fernie and Michel Railway	1,819.58

The operating loss of the Subsidiary Company, The Crow's Nest Pass Electric Light and Power Company, Limited, for the year, after depreciation was \$8,956.63.

The operating loss of the Subsidiary Company, the Morrissey, Fernie and Michel Railway for the year, amounted to \$87,942.62, after depreciation.

During the last two years or more, through the general decline in coal consumption and particularly through transportation companies transferring their fuel requirements from coal to oil, your company has lost from 500,000 to 600,000 tons of old business per year. As a result of the loss of these sales, the Coal Creek Mines could not be operated more than one or two days per week. This limited amount of work created an impossible working condition for the employees. To attempt to continue operations of these mines would inevitably result in very heavy financial losses.

Services of a competent independent engineer were obtained to make a survey of the entire operations of your Company, and particularly with respect to the Coal Creek situation. His report was that it was impossible to operate the Coal Creek Mines without a heavy financial loss. Your Management and Directors, after a very careful study, have found it necessary to close down the Coal Creek Property permanently and confine its entire mining operations to the Michel properties, which produce more diversified classes of coal and more suitable for the varying demands of the trade.

The Michel Mines are amply equipped and of sufficient capacity to meet any demands for coal or coke which may reasonably be expected in the near future.

Should additional production be required at any time in the near future, new mines can be readily opened on your property to meet any such demands.

By Order of the Board of Directors,

W. R. WILSON,
President.

AUDITORS' REPORT AND CERTIFICATE

Toronto, Canada, February, 23rd, 1933.

To the Shareholders of

The Crow's Nest Pass Coal Company, Limited,
Ferne, B.C.

Gentlemen :—

We report that we have audited the books and accounts of your Company for the year ended December 31st, 1932, and certify that we have obtained all the information and explanations required.

We examined the securities of the Company held for safe-keeping by the Imperial Bank of Canada, Vancouver Branch, and found same in order.

The cash and Bank Balances were verified either by actual count or by certificate from the depositories.

We further certify that the attached Balance Sheet is in our opinion properly drawn so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given us and as shown by the books of the Company.

Respectfully submitted,

Welch, Campbell & Lawless,
Chartered Accountants.

THE CROW'S NEST PASS COAL COMPANY, LIMITED

BALANCE SHEET—DECEMBER 31st, 1932.

Assets

Cash on hand and in Banks	\$ 310,927.10	
Accounts Receivable	276,476.25	
Inventories, Coal, Coke, Stores, etc.	150,351.96	
		\$ 737,755.31
Bonds and Shares Owned		1,610,111.51
Unexpired Insurance		9,928.32
Mines, Real Estate, Plant and Equipment,		
Less : Depreciation and Exhaustion		
Reserves		3,563,133.35
		<u>\$5,920,928.49</u>

Liabilities

Accounts Payable	130,020.73	
Provision for Income Tax	976.34	
		<u>130,997.07</u>
		<u>\$5,789,931.42</u>

Capital Stock

Authorized	\$10,000,000.00	
Subscribed and paid up		6,212,666.66
Less : Previously Distributed	186,354.00	
Distributed in 1932 from Depre-		
ciation and Exhaustion Funds	236,381.24	
		<u>422,735.24</u>
		<u>\$5,789,931.42</u>
Surplus Account	12,090.76	
Less : Portion of Distribution to Share-		
holders from this account	12,090.76	
		<u>\$5,789,931.42</u>

Signed on behalf of the Board— W. R. Wilson, Director.
Charles Bocking, Director.

SURPLUS ACCOUNT

December 31st, 1932.

Debit Balance Forward from December 31st, 1931	\$27,378.41
Refund Income Tax	2,832.20
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	\$24,546.21
Profit on Lands, Timber Operations and other Sources	\$68,512.69
Less : Loss on Coal and Coke Operations.....	30,899.38
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Profit before Income Tax Provision	\$37,613.31
Less : Income Tax Provision	976.34
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	\$36,636.97
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Carried to Balance Sheet	<u>\$12,090.76</u>

